ECONOMICS MONTHLY
QUARTERLY STATISTICAL SUPPLEMENT
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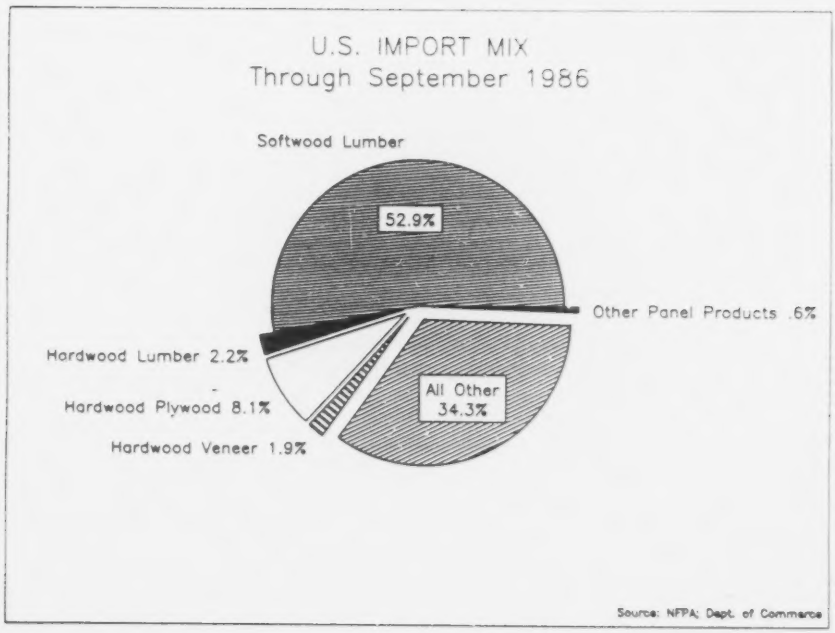
GRAPHICAL ABSTRACT



Softwood lumber accounts for the lion's share of U.S. wood products imports.

ESTIMATED REGIONAL SOURCES OF DOMESTIC LUMBER CONSUMPTION (Net Imports Allocated)

(MILLION BOARD FEET)

	SOUTHERN PINE	DOUGLAS FIR	WESTERN PINE	CALIFORNIA REDWOOD	OTHER SOFTWOOD	TOTAL SOFTWOOD	SOUTHERN HARDWOOD	OTHER** HARDWOOD	TOTAL HARDWOOD	TOTAL LUMBER
1976	7,641	12,069	10,820	1,981	3,575	36,086	3,054	3,387	6,441	42,527
1977	8,774	14,081	11,626	2,026	4,302	40,809	3,158	3,732	6,890	47,699
1978	9,096	15,133	11,559	1,849	5,003	42,640	3,242	3,755	6,997	49,637
1979	9,060	14,248	10,553	1,729	5,018	40,608	3,342	3,597	6,939	47,547
1980	7,757	11,461	8,509	1,563	4,542	33,832	3,028	3,244	6,272	40,104
1981	8,177	10,828	7,760	1,463	3,836	32,064	3,202	2,653	5,855	37,919
1982	8,232	10,381	7,316	1,327	3,917	31,173	2,031	3,066	5,098	36,270
1983	10,233	14,108	8,848	1,558	4,995	39,742	2,121	3,276	5,397	45,138
1984*										
1ST QUARTER	2,488	3,854	2,284	416	1,308	10,350	621	888	1,509	11,859
2ND QUARTER	2,727	3,965	2,564	425	1,405	11,085	610	948	1,558	12,643
3RD QUARTER	2,682	4,070	2,430	410	1,466	11,058	628	824	1,452	12,510
4TH QUARTER	2,505	3,782	2,329	393	1,355	10,363	600	718	1,317	11,681
TOTAL YEAR	10,402	15,672	9,606	1,643	5,534	42,857	2,459	3,377	5,836	48,693
1985*										
1ST QUARTER	2,367	3,747	2,017	378	1,310	9,818	631	872	1,503	11,321
2ND QUARTER	2,920	4,462	2,601	488	1,650	12,121	672	939	1,612	13,733
3RD QUARTER	2,700	4,240	2,684	429	1,535	11,590	618	779	1,397	12,986
4TH QUARTER	2,493	3,944	2,446	384	1,446	10,714	613	710	1,323	12,037
TOTAL YEAR	10,480	16,393	9,748	1,679	5,942	44,243	2,534	3,300	5,834	50,077
1986*										
1ST QUARTER	2,764	4,079	2,362	374	1,478	11,057	690	730	1,421	12,478
2ND QUARTER	2,971	4,733	2,837	558	1,737	12,836	657	869	1,526	14,362
3RD QUARTER	2,654	4,424	2,916	491	1,662	12,147	627	808	1,435	13,582
4TH QUARTER										
TOTAL YEAR	8,388	13,237	8,115	1,423	4,877	36,041	1,975	2,407	4,382	40,423

* SUBJECT TO REVISION
** INCLUDES APPALACHIAN HARDWOOD AND ALL OTHERS.

SOURCE: NATIONAL FOREST PRODUCTS ASSOCIATION

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.

ESTIMATED REGIONAL LUMBER PRODUCTION, SHIPMENTS AND NEW ORDERS

(MILLION BOARD FEET)

	SOUTHERN PINE	DOUGLAS FIR	WESTERN PINE	CALIFORNIA REDWOOD	OTHER SOFTWOOD	TOTAL SOFTWOOD	SOUTHERN HARDWOOD	APPALACHIAN HARDWOOD	OTHER HARDWOOD	TOTAL HARDWOOD	TOTAL LUMBER
PRODUCTION											
1976	7,893	8,322	9,789	2,001	1,688	29,693	3,037	1,173	2,217	6,427	36,120
1977	8,879	8,796	10,309	2,000	1,753	31,737	3,073	1,211	2,417	6,701	38,438
1978	9,231	8,845	10,073	1,902	2,046	32,057	3,258	1,233	2,540	7,031	39,088
1979	9,283	8,427	9,780	1,818	2,124	31,432	3,462	1,263	2,589	7,314	38,746
1980	8,217	6,815	7,613	1,589	2,012	26,246	3,341	1,221	2,553	7,115	33,361
1981	8,415	6,270	7,147	1,452	1,392	24,676	3,374	1,237	1,641	6,252	30,928
1982	8,754	5,743	6,681	1,300	1,309	23,787	2,061	602	2,398	5,062	28,849
1983	10,181	7,934	8,488	1,580	1,543	29,726	2,245	785	2,614	5,644	35,370
1984*											
1ST QUARTER	2,620	2,337	2,252	435	391	8,035	645	267	663	1,575	9,610
2ND QUARTER	2,787	2,264	2,429	444	404	8,328	651	297	689	1,637	9,965
3RD QUARTER	2,692	1,985	2,213	407	373	7,670	697	241	682	1,620	9,290
4TH QUARTER	2,575	1,743	2,098	378	347	7,141	649	180	601	1,430	8,571
TOTAL YEAR	10,674	8,329	8,992	1,664	1,515	31,174	2,642	985	2,635	6,262	37,436
1985*											
1ST QUARTER	2,471	1,970	2,009	448	353	7,251	635	248	625	1,508	8,759
2ND QUARTER	2,906	2,016	2,405	451	397	8,175	700	279	692	1,671	9,846
3RD QUARTER	2,771	2,039	2,539	445	398	8,192	657	218	620	1,495	9,687
4TH QUARTER	2,582	2,037	2,323	386	375	7,703	635	159	563	1,357	9,060
TOTAL YEAR	10,730	8,062	9,276	1,730	1,523	31,321	2,628	904	2,500	6,031	37,352
1986*											
1ST QUARTER	2,797	2,196	2,329	443	397	8,162	715	141	606	1,462	9,624
2ND QUARTER	3,034	2,291	2,640	510	433	8,908	691	236	656	1,583	10,491
3RD QUARTER	2,693	2,193	2,851	498	421	8,656	658	206	611	1,475	10,131
4TH QUARTER											
TOTAL YEAR	8,524	6,680	7,820	1,451	1,251	25,726	2,064	583	1,873	4,520	30,246
SHIPMENTS											
1976	7,782	8,293	9,744	2,044	1,679	29,542	3,032	1,171	2,214	6,417	35,959
1977	8,932	8,781	10,295	2,075	1,759	31,842	3,114	1,225	2,450	6,789	38,631
1978	9,226	8,906	10,067	1,884	2,051	32,134	3,248	1,230	2,530	7,008	39,142
1979	9,255	8,412	9,696	1,760	2,111	31,234	3,326	1,216	2,487	7,029	38,263
1980	8,018	6,821	7,807	1,590	2,012	26,248	3,119	1,142	2,387	6,648	32,896
1981	8,388	6,270	7,183	1,501	1,395	24,737	3,313	1,182	1,602	6,097	30,834
1982	8,464	5,793	6,775	1,349	1,303	23,684	2,127	634	2,488	5,249	28,935
1983	10,214	7,802	8,264	1,582	1,528	29,390	2,312	829	2,708	5,849	35,239
1984*											
1ST QUARTER	2,527	2,196	2,126	421	372	7,642	643	265	660	1,568	9,210
2ND QUARTER	2,780	2,263	2,395	440	402	8,280	639	289	675	1,603	9,883
3RD QUARTER	2,718	2,038	2,284	415	381	7,836	654	219	634	1,507	9,343
4TH QUARTER	2,549	1,912	2,209	397	361	7,428	619	167	571	1,357	8,785
TOTAL YEAR	10,574	8,409	9,014	1,673	1,516	31,186	2,555	940	2,540	6,035	37,221
1985*											
1ST QUARTER	2,404	1,914	1,914	381	338	6,951	633	245	622	1,500	8,451
2ND QUARTER	2,964	2,131	2,441	492	410	8,438	677	266	666	1,609	10,047
3RD QUARTER	2,740	2,003	2,546	433	394	8,116	628	201	588	1,417	9,533
4TH QUARTER	2,536	2,029	2,320	389	371	7,645	631	157	559	1,347	8,992
TOTAL YEAR	10,644	8,077	9,221	1,695	1,513	31,150	2,569	869	2,435	5,873	37,023
1986*											
1ST QUARTER	2,806	2,174	2,282	377	391	8,030	704	138	596	1,438	9,468
2ND QUARTER	3,021	2,399	2,739	560	446	9,165	681	230	645	1,556	10,721
3RD QUARTER	2,694	2,069	2,788	494	411	8,456	666	209	620	1,495	9,951
4TH QUARTER											
TOTAL YEAR	8,521	6,642	7,809	1,431	1,248	25,651	2,051	577	1,861	4,489	30,140
NEW ORDERS											
1976	7,779	8,377	9,760	2,067	1,687	29,670	3,015	1,165	2,200	6,380	36,050
1977	8,970	8,712	10,331	2,119	1,762	31,894	3,163	1,244	2,488	6,895	38,789
1978	9,273	8,894	9,946	1,847	2,043	32,003	3,288	1,239	2,560	7,087	39,090
1979	9,273	8,388	9,630	1,664	2,098	31,053	3,250	1,184	2,429	6,863	37,916
1980	7,964	6,791	7,730	1,563	1,996	26,044	3,060	1,118	2,338	6,516	32,560
1981	8,433	6,200	7,076	1,501	1,387	24,597	3,341	1,198	1,617	6,156	30,753
1982	8,510	5,976	6,880	1,388	1,325	24,079	2,123	650	2,495	5,268	29,335
1983	10,417	7,864	8,350	1,573	1,544	29,748	2,144	834	2,741	5,919	35,667
1984*											
1ST QUARTER	2,426	2,346	2,173	401	375	7,721	679	277	695	1,651	9,372
2ND QUARTER	2,752	2,072	2,311	397	385	7,917	585	285	632	1,502	9,419
3RD QUARTER	2,694	2,055	2,325	426	383	7,883	631	212	614	1,457	9,340
4TH QUARTER	2,470	1,823	2,202	416	353	7,264	629	170	579	1,378	8,642
TOTAL YEAR	10,342	8,296	9,011	1,640	1,496	30,785	2,524	944	2,520	5,988	36,773
1985*											
1ST QUARTER	2,358	1,935	1,920	391	338	6,942	659	246	641	1,546	8,488
2ND QUARTER	2,974	2,105	2,528	502	415	8,524	653	258	644	1,555	10,079
3RD QUARTER	2,864	2,012	2,506	394	397	8,173	638	207	598	1,443	9,616
4TH QUARTER	2,567	1,992	2,293	395	370	7,617	624	156	553	1,333	8,950
TOTAL YEAR	10,763	8,044	9,247	1,682	1,520	31,256	2,574	867	2,436	5,877	37,133
1986*											
1ST QUARTER	2,893	2,291	2,403	431	409	8,427	757	146	639	1,542	9,969
2ND QUARTER	2,958	2,206	2,642	529	427	8,762	674	224	636	1,534	10,296
3RD QUARTER	2,648	2,214	2,848	463	417	8,590	664	217	625	1,506	10,096
4TH QUARTER											
TOTAL YEAR	8,499	6,711	7,893	1,423	1,253	25,779	2,095	587	1,900	4,582	30,361

* SUBJECT TO REVISION.

SOURCE: NATIONAL FOREST PRODUCTS ASSOCIATION

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING

IMPORTS AND EXPORTS OF LUMBER

IMPORTS OF LUMBER \1
(MILLION BOARD FEET)

	SOFTWOODS											
	DOUGLAS FIR	OTHER FIR	HEMLOCK	SPRUCE	PINE	CEDAR	OTHER	SPECIAL \2 PRODUCTS	TOTAL SOFTWOOD	TOTAL \3 HARDWOOD	RAILROAD TIES (SAWED)	TOTAL LUMBER
1976	744.2	91.3	1,083.8	4,116.0	1,305.4	480.2	8.7	121.2	7,950.8	228.3	8.2	8,187.3
1977	990.7	299.4	1,219.2	5,361.6	1,795.5	537.7	22.2	154.0	10,380.3	341.1	7.4	10,728.8
1978	976.2	508.9	1,219.8	6,312.9	1,916.9	657.5	41.8	190.6	11,824.6	361.4	12.3	12,198.3
1979	827.3	588.3	912.3	6,740.4	1,182.5	637.8	35.4	193.7	11,117.7	376.2	29.3	11,523.2
1980	559.0	440.8	627.8	6,167.9	1,023.9	543.4	20.7	156.6	9,540.1	293.2	31.3	9,864.6
1981	483.3	534.7	467.0	6,010.7	941.7	574.4	17.0	175.9	9,204.7	291.1	24.9	9,520.7
1982	504.3	460.7	293.9	6,341.2	801.6	539.0	28.8	149.4	9,118.9	211.0	26.2	9,356.0
1983	600.3	708.6	416.7	8,354.4	919.8	664.1	73.5	239.9	11,977.4	260.5	12.5	12,250.4
1984												
1ST QUARTER	140.1	151.1	135.0	2,152.8	240.7	190.9	9.4	75.6	3,095.6	85.7	3.1	3,184.4
2ND QUARTER	137.1	168.6	96.8	2,390.5	251.8	136.3	9.0	59.3	3,249.4	87.1	6.6	3,343.1
3RD QUARTER	147.5	264.4	140.5	2,551.2	225.8	200.9	8.9	72.8	3,612.0	73.9	8.0	3,693.9
4TH QUARTER	178.2	181.0	142.6	2,377.0	183.4	176.1	7.7	67.3	3,313.2	81.0	6.5	3,400.7
TOTAL YEAR	603.0	765.1	514.9	9,471.4	901.6	704.1	35.0	275.0	13,270.2	327.7	24.2	13,622.2
1985												
1ST QUARTER	154.6	189.1	171.1	2,257.0	165.8	210.2	26.9	66.9	3,241.6	105.9	3.2	3,350.7
2ND QUARTER	205.9	200.0	185.6	2,907.4	237.8	233.3	10.2	89.2	4,069.3	96.1	11.8	4,177.2
3RD QUARTER	247.4	236.0	151.0	2,685.4	215.0	203.7	14.0	89.3	3,841.8	85.3	7.7	3,934.8
4TH QUARTER	157.1	166.8	136.2	2,543.6	198.6	160.7	16.0	76.1	3,455.1	76.3	5.1	3,536.4
TOTAL YEAR	765.1	791.8	643.9	10,393.4	817.2	807.9	67.1	321.5	14,607.8	363.6	27.7	14,999.1
1986												
1ST QUARTER	157.2	166.5	128.4	2,571.0	152.3	208.1	27.3	87.2	3,498.0	95.6	3.8	3,597.4
2ND QUARTER	179.1	238.0	154.9	2,957.5	180.3	269.8	30.4	119.1	4,129.1	88.9	10.0	4,228.0
3RD QUARTER	225.7	254.6	140.1	2,967.9	222.3	207.3	18.7	82.2	4,118.9	75.8	5.4	4,200.1
4TH QUARTER												
TOTAL YEAR	562.0	659.1	423.4	8,496.4	554.9	685.3	76.4	288.5	11,746.1	260.3	19.1	12,025.5

EXPORTS OF LUMBER \1
(MILLION BOARD FEET)

	SOFTWOODS											
	DOUGLAS FIR	SOUTHERN PINE	PONDEROSA/ WHITE PINE	REDWOOD	HEMLOCK	SPRUCE	CEDAR	OTHER	SPECIAL \2 PRODUCTS	TOTAL SOFTWOOD	TOTAL \3 HARDWOOD	RAILROAD TIES \4 (SAWED)	TOTAL \5 LUMBER
1976	571.7	141.4	214.0	61.3	294.2	165.5	60.7	75.7	----	1,584.5	225.5	30.9	1,840.9
1977	488.3	187.8	195.0	48.1	264.2	150.7	61.3	47.0	----	1,412.4	226.1	19.2	1,657.7
1978	456.9	130.5	136.9	34.3	272.5	135.4	59.2	120.1	23.1	1,368.9	320.1	25.8	1,714.8
1979	505.4	195.1	147.7	30.1	463.7	151.1	56.0	179.4	16.2	1,744.7	306.6	90.5	2,141.8
1980	520.8	261.4	168.1	27.3	511.2	136.4	62.0	248.6	20.2	1,956.0	378.6	128.3	2,462.9
1981	509.0	211.2	223.8	37.7	390.2	141.4	66.9	280.6	16.8	1,877.6	405.7	88.8	2,372.1
1982	457.2	231.8	140.8	22.5	391.7	124.9	40.5	206.0	14.8	1,630.2	356.2	34.4	2,020.8
1983	559.3	208.4	197.3	24.0	376.2	113.9	46.8	207.8	10.8	1,744.5	478.2	47.2	2,269.9
1984													
1ST QUARTER	136.8	39.1	46.9	5.5	77.8	24.9	10.7	42.8	2.9	387.5	117.4	30.9	535.9
2ND QUARTER	159.3	53.5	45.0	15.1	81.8	19.8	10.1	56.0	3.8	444.2	129.3	9.4	582.9
3RD QUARTER	131.7	35.7	46.0	5.2	84.8	25.6	9.7	47.8	3.1	389.7	112.4	24.6	526.7
4TH QUARTER	104.3	44.1	36.3	4.4	93.1	27.7	8.7	56.1	3.3	377.9	107.4	19.7	505.0
TOTAL YEAR	532.1	172.4	174.1	30.1	337.4	98.1	39.2	202.7	13.1	1,599.3	466.5	84.6	2,150.4
1985													
1ST QUARTER	117.5	37.0	37.8	3.4	101.5	21.1	6.3	47.0	2.8	374.4	102.7	3.6	480.7
2ND QUARTER	130.4	44.4	42.1	3.8	83.2	17.2	7.0	55.2	2.8	385.9	97.3	7.7	490.9
3RD QUARTER	113.2	39.5	44.4	3.5	78.2	14.2	6.4	65.5	3.1	368.1	96.3	17.1	481.4
4TH QUARTER	114.4	43.5	43.4	5.0	101.5	8.4	7.8	61.0	1.9	387.0	100.8	4.5	492.3
TOTAL YEAR	475.6	164.4	167.7	15.7	364.4	60.8	27.4	228.7	10.6	1,515.4	397.1	32.9	1,945.3
1986													
1ST QUARTER	135.9	42.2	49.7	2.9	130.1	24.6	6.8	76.2	2.4	470.9	112.0	4.5	587.4
2ND QUARTER	130.1	50.3	54.9	2.1	121.0	23.2	7.8	66.0	2.4	457.9	122.8	6.0	586.7
3RD QUARTER	106.3	40.1	60.8	2.8	115.4	19.0	12.4	66.7	4.1	427.7	135.0	6.1	568.8
4TH QUARTER													
TOTAL YEAR	372.3	132.6	165.5	7.9	366.5	66.8	27.1	209.0	8.9	1,356.5	369.8	16.6	1,742.9

1. Sawed timber, board planks and scantlings, flooring, box shook and railroad ties.
2. Includes siding and softwood lumber drilled or treated. Beginning 1978 includes siding and flooring. For exports, figures not availa prior to 1978.
3. Includes hardwood flooring, siding and hardwood lumber drilled or treated.
4. Includes a small amount of hewn railroad ties. Beginning with 1978 includes mine timber.
5. Includes box shook: 1973 - 4.4 mbf; 1974 - 6.1 mbf; 1975 - 4.1 mbf; 1976 - 6.0 mbf; 1977 - 5.8 mbf. Beginning with 1978 box shook is reported in appropriate species.

SOURCE: Foreign Agricultural Service, U.S. Department of Agriculture; Forest Products Division, BIE, U.S. DOC, from data of the Foreign Trade Division, Bureau of Census.

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.

ESTIMATED GROSS LUMBER MILL STOCKS AND UNFILLED ORDERS BY REGION

(MILLION BOARD FEET)

	SOUTHERN PINE	DOUGLAS FIR	WESTERN PINE	CALIFORNIA REDWOOD	OTHER SOFTWOOD	TOTAL SOFTWOOD	SOUTHERN HARDWOOD	OTHER** HARDWOOD	TOTAL HARDWOOD	TOTAL LUMBER
GROSS MILL STOCKS										
DECEMBER 31ST										
1976	1,245	949	1,315	434	271	4,214	453	432	885	5,099
1977	1,192	964	1,329	359	265	4,109	412	385	797	4,906
1978	1,197	903	1,295	377	260	4,032	423	398	820	4,852
1979	1,225	918	1,379	435	273	4,230	558	547	1,105	5,335
1980	1,424	912	1,185	434	273	4,228	780	792	1,572	5,800
1981	1,451	912	1,149	385	270	4,167	841	886	1,727	5,894
1982	1,741	862	1,055	336	276	4,270	775	764	1,539	5,809
1983	1,708	994	1,279	334	291	4,606	708	626	1,334	5,940
1984*										
1ST QUARTER	1,801	1,135	1,405	348	310	4,999	710	631	1,341	6,340
2ND QUARTER	1,808	1,136	1,439	352	312	5,047	722	653	1,375	6,422
3RD QUARTER	1,782	1,083	1,368	344	304	4,881	765	723	1,488	6,369
4TH QUARTER	1,808	914	1,257	325	290	4,594	795	766	1,561	6,155
1985*										
1ST QUARTER	1,875	970	1,352	392	305	4,894	797	772	1,569	6,463
2ND QUARTER	1,817	855	1,316	351	292	4,631	820	811	1,631	6,262
3RD QUARTER	1,848	891	1,309	363	296	4,707	849	860	1,709	6,416
4TH QUARTER	1,894	899	1,312	360	300	4,765	853	866	1,719	6,484
1986*										
1ST QUARTER	1,885	921	1,359	426	306	4,897	864	879	1,743	6,640
2ND QUARTER	1,898	813	1,260	376	293	4,640	874	896	1,770	6,410
3RD QUARTER	1,897	937	1,323	380	303	4,840	866	884	1,750	6,590
4TH QUARTER										
ESTIMATED UNFILLED ORDERS										
DECEMBER 31ST										
1976	450	634	554	227	264	2,129	243	157	400	2,529
1977	488	565	590	271	267	2,181	292	214	506	2,687
1978	535	553	469	234	259	2,050	332	253	585	2,635
1979	553	529	403	138	246	1,869	256	163	419	2,288
1980	499	499	326	111	230	1,665	197	90	287	1,952
1981	544	429	219	111	222	1,525	225	121	346	1,871
1982	590	612	324	150	244	1,920	221	144	365	2,285
1983	793	674	410	141	260	2,278	253	182	435	2,713
1984*										
1ST QUARTER	692	824	457	121	263	2,357	289	229	518	2,903
2ND QUARTER	664	633	373	78	246	1,994	235	182	417	2,490
3RD QUARTER	640	650	414	89	248	2,041	212	155	367	2,251
4TH QUARTER	561	561	407	108	240	1,877	222	166	388	2,449
1985*										
1ST QUARTER	515	582	413	118	240	1,868	248	186	434	2,302
2ND QUARTER	525	556	500	128	245	1,954	224	156	380	2,334
3RD QUARTER	649	565	460	89	248	2,011	234	172	406	2,417
4TH QUARTER	680	528	433	95	247	1,983	227	165	392	2,375
1986*										
1ST QUARTER	766	645	554	149	265	2,379	280	216	496	2,875
2ND QUARTER	703	452	457	118	246	1,976	273	201	474	2,450
3RD QUARTER	657	597	517	87	252	2,110	272	214	486	2,596
4TH QUARTER										
UNFILLED ORDERS IN RELATION TO GROSS MILL STOCKS (Unfilled Orders As Percentage of Mill Stocks)										
1976	36%	67%	42%	52%	97%	51%	54%	36%	45%	50%
1977	41%	59%	44%	75%	101%	53%	71%	56%	63%	55%
1978	45%	61%	36%	62%	100%	51%	79%	64%	71%	54%
1979	45%	58%	29%	32%	90%	44%	46%	30%	38%	43%
1980	35%	55%	28%	26%	84%	39%	25%	11%	18%	34%
1981	37%	47%	19%	29%	82%	37%	27%	14%	20%	32%
1982	34%	71%	31%	45%	88%	45%	29%	19%	24%	39%
1983	46%	68%	32%	42%	89%	49%	36%	29%	33%	46%
1984*										
1ST QUARTER	38%	73%	33%	35%	85%	47%	41%	36%	39%	46%
2ND QUARTER	37%	56%	26%	22%	79%	40%	33%	28%	30%	39%
3RD QUARTER	36%	60%	30%	26%	82%	42%	28%	21%	25%	35%
4TH QUARTER	31%	61%	32%	33%	83%	41%	28%	22%	25%	40%
1985*										
1ST QUARTER	27%	60%	31%	30%	79%	38%	31%	24%	28%	36%
2ND QUARTER	29%	65%	38%	36%	84%	42%	27%	19%	23%	37%
3RD QUARTER	35%	63%	35%	25%	84%	43%	28%	20%	24%	38%
4TH QUARTER	36%	59%	33%	26%	82%	42%	27%	19%	23%	37%
1986*										
1ST QUARTER	41%	70%	41%	35%	87%	49%	32%	25%	28%	43%
2ND QUARTER	37%	56%	36%	31%	84%	43%	31%	22%	27%	38%
3RD QUARTER	35%	64%	39%	23%	83%	44%	31%	24%	28%	39%
4TH QUARTER										

* SUBJECT TO REVISION.

** INCLUDES APPALACHIAN HARDWOOD AND ALL OTHER.

SOURCE: NATIONAL FOREST PRODUCTS ASSOCIATION

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NFPA AN ECONOMICS BULLETIN OF THE FOREST PRODUCTS INDUSTRY

ECONOMICS MONTHLY

Volume II Number 12 December, 1986

AGREEMENT REACHED ON SOFTWOOD LUMBER IMPORTS

As we go to press, the United States and Canada are finalizing an agreement which will avert the imposition of a countervailing duty on softwood lumber imported from Canada. The agreement calls for Canada to impose a 15 percent tax on the final mill value of softwood lumber exports bound for the U.S. The Department of Commerce decision on the countervailing duty petition was due to be announced on the last day of this month.

The agreement also calls for the imposition of a 15 percent tax on softwood lumber used in remanufactured products, such as flooring and siding, destined for the U.S.

In the meantime, Canadian imports of softwood lumber in October plunged to 968.9 million board feet, a 25.5 percent drop from the previous month. The uncertainties and confusion surrounding the October 16th preliminary decision to impose a 15 percent duty, coupled with the widely reported strikes in British Columbia, had a major impact on cross-border lumber trade. Lumber imports through the first ten months of the year were still ahead of last year's pace by about 2 percent. But the year may have already finished differently if October's trend carried forward through November and December. Data for these months will not be available until early next year.

NATIONAL FOREST TIMBER: SALES PROGRAM IS CRITICAL FOR PRODUCERS

In January, the Administration will submit its budget for Fiscal Year '88, and the new Democratic controlled Congress begins the long deliberative budgetary process. The Administration's budget document is chock full of implications for all areas of the U.S. economy, the wood products industry being no exception. A particularly critical area of the budget for wood products producers is the allocation for the U.S. Forest Service timber management program. This has a major impact on timber supply and, hence, producers wholly or partially dependent on raw material from the national forests.

As in the past, the Forest Service budget will emerge as the various industry, environmental and regional interests make their cases to the legislative committees. Increasingly, Congress has assumed the responsibility for operational and planning decisions which used to be left to the professional managers in the agency.

Some Background

The Forest Service administers the National Forest System which includes some 89 million acres of commercial forestland, about 18 percent of the total in the United States. They contain over 50 percent of the softwood sawtimber inventory in the U.S. and therein

MONTHLY STATISTICAL HIGHLIGHTS

The volume of softwood lumber imports from Canada plummeted in October, dropping 25.5 percent from September.

Housing starts in November were reported at seasonally adjusted annual rate of 1.628 million units. Through the first ten months of 1986, the annual rate has averaged 1.859 million units.

The value of exported red oak lumber was up 37.6 percent during the first ten months of the year. The average value of red oak exports was $647.09 per MBF.

Structural panel shipments during the first ten months of the year were estimated to be 21.821 billion square feet, up 12.0 percent from last year.

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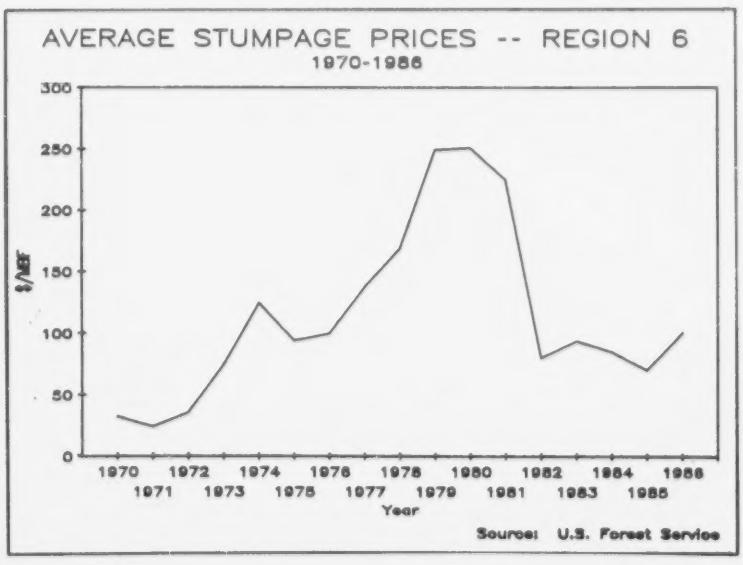
lies their importance as a source of timber for manufacturing.

Recent trends in national forest timber supply are showing the affect of the Timber Contract Modification Act of 1984. Under that legislation, purchasers paid $170 million to return 9.6 billion board feet (BBF) that had been bid at prices which would have caused massive defaults in today's market. As the graphs in Figures 1 - 3 show, uncut volume under contract and prices bid on new contracts appear closer to historical norms, although stumpage is now beginning to rise again. Contract periods are also much shorter. Of the 19.5 BBF of timber under contract, the lion's share is due to be harvested within three years. In fact, over 45 percent of the harvest on the west side of Oregon and Washington during this past year was from contracts entered into within a year.

These trends in timber supply from the national forests are in some part a function of new contract procedures put into effect since 1982. They have mostly tightened upon the financial requirements for entering into contracts on Forest Service timber. They include: increased bid guarantee and performance bond amounts, increased cash down payments, midpoint payment requirements for sales that exceed one year in length (soon to be replaced by some form of periodic payments), and increased purchaser financial responsibility for defaulted contracts. The average timber sale contract length has been reduced significantly. The maximum length of a contract is now about three years. Prior to 1982, it was not unusual to enter into contracts extending to five years or longer.

Figure 1: Stumpage prices in the northwest region have started up again.



Problems for producers still persist, however. During the fiscal year ended September 30, 1986, harvest off the national forests reached 11.8 billion board feet (BBF), the highest level since 1973 -- despite the fact the volume of timber sold during the same period was under 11 BBF. This means that the backlog of timber under contract is diminishing. Unless timber sale volumes are increased next year, the prospect of shortages will loom, possibly sending prices spiraling in the not-too-distant future. Moreover, the backlog of unharvested timber under contract includes almost 7 BBF billion board feet of timber purchased prior to January 1, 1982 that was not returned under the timber buy-out program. Much of this volume is still committed, at prices which are not profitable in today's market. Unless sufficient volumes of timber are sold from the national forests, competitive pressures may drive up prices on new contracts once again.

RPA, NFMA and Appropriations Are Determinants

The debate over the management of the national forests rages around three policy areas: Resources Planning, National Forest Management Planning, and the annual appropriations for the Forest Service. On one level is the Resources Planning

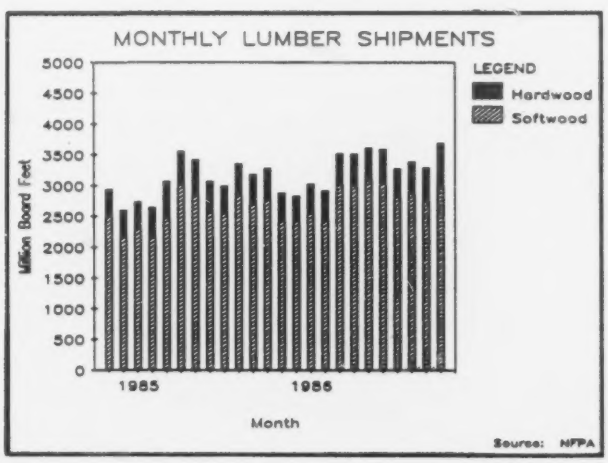
ECONOMICS MONTHLY

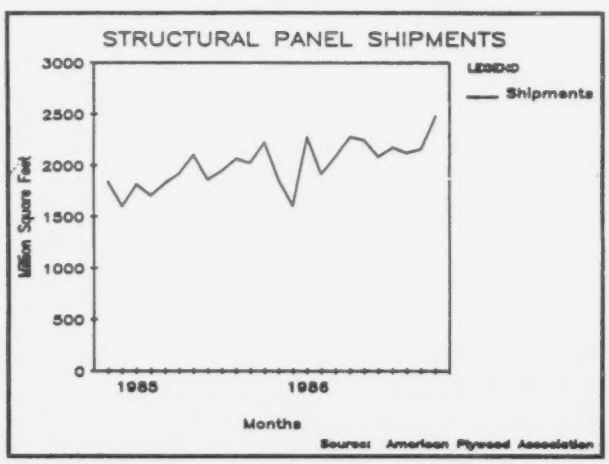
MONTHLY STATISTICAL SUPPLEMENT

Issued: December 1986

ESTIMATED INDUSTRY TOTALS BY PRODUCING REGION

	OCTOBER 1986			OCTOBER 31, 1986	
	Production	Shipments	Orders Received	Unfilled Orders	Gross Stocks
SOFTWOOD LUMBER		(Million Board Feet)			
Southern Pine Region	1,014	955	1085	732	1,892
Douglas Fir Region	846	802	852	647	981
Western Pine Region	962	933	947	531	1,352
California Redwood Region	184	168	193	112	396
Other Softwoods	154	146	157	261	308
TOTAL SOFTWOODS	3,160	3,004	3,234	2,283	4,929
% Change - September 1986	0.3%	-1.0%	4.5%	11.2%	3.3%
% Change - October 1985	7.5%	7.9%	17.9%	15.9%	1.4%
HARDWOOD LUMBER					
Southern Hardwood Region	220	227	238	283	859
Appalachian Hardwood Reg.	166	174	177	*	*
Other Hardwoods	274	284	294	236	865
TOTAL HARDWOODS	660	685	709	519	1,724
% Change - September 1986	5.3%	7.0%	5.0%	4.8%	-1.4%
% Change - October 1985	28.4%	37.8%	46.5%	32.1%	-0.1%
TOTAL LUMBER	3,820	3,689	3,943	2,802	6,653
% Change - September 1986	1.1%	0.4%	4.6%	10.0%	2.0%
% Change - October 1985	10.6%	12.5%	22.2%	18.6%	1.0%
* Included in Other Hardwoods					
FLOORING		(Thousand Feet)			
Oak Flooring (Bd. Ft.)	NA	14,717	NA	7,413	5,124
Maple Flooring (Sq. Ft.)	948	1,129	971	3,723	1,428
STRUCTURAL PANELS (Sq. Ft.)	2,428,501	2,474,962	2,335,710	884,617	267,000
% Change - September 1986	9.9%	14.5%	-0.3%	-13.6%	-14.7%
% Change - October 1985	7.3%	11.1%	14.4%	68.1%	-19.3%





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YEAR-TO-DATE INDICATORS

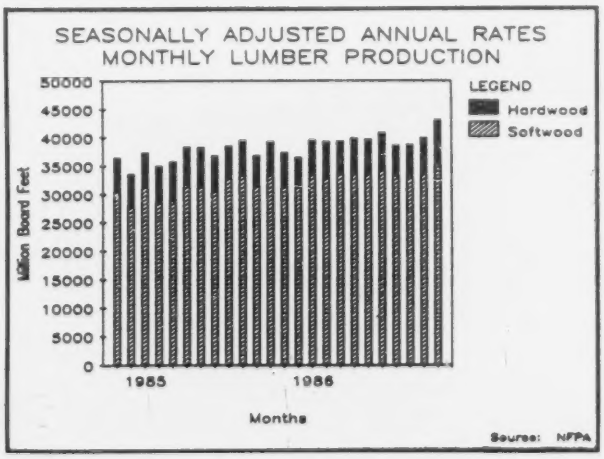
	PRODUCTION		SHIPMENTS		ORDERS RECEIVED	
	Latest Period Available	% Change	Latest Period Available	% Change	Latest Period Available	% Change
	10 mos.'86	10 mos.'85	10 mos.'86	10 mos.'85	10 mos.'86	10 mos.'85
	(Million Board Feet)					
TOTAL LUMBER	34,476	8.6%	34,307	9.6%	34,734	10.6%
TOTAL SOFTWOOD	29,207	10.0%	29,043	10.5%	29,344	11.2%
TOTAL HARDWOOD	5,269	1.6%	5,264	4.8%	5,390	7.2%
	(Million Square Feet)					
STRUCTURAL PANELS	21,874	11.7%	21,821	12.0%	21,771	12.0%

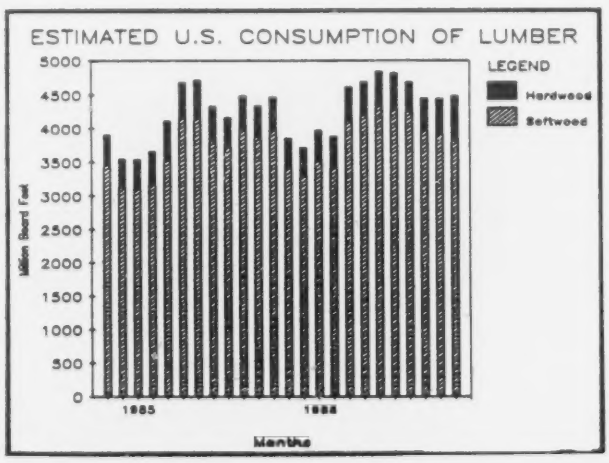
SEASONALLY ADJUSTED ANNUAL RATES

	PRODUCTION			SHIPMENTS		
		---% Change From--			---% Change From--	
LUMBER REGION	Oct. '86	Sep. '86	Oct. '85	Oct. '86	Sep. '86	Oct. '85
	(Million Board Feet)			(Million Board Feet)		
Southern Pine	11,125	-5.4%	1.3%	10,262	-12.0%	-6.0%
Douglas Fir	9,881	-1.2%	3.3%	9,092	-4.7%	5.1%
Western Pine	10,748	-8.2%	8.9%	10,109	-12.0%	5.4%
Calif. Redwood	1,941	-0.8%	12.0%	1,896	-1.7%	29.5%
Other Softwoods	1,719	-3.9%	6.1%	1,566	-11.0%	1.1%
TOTAL SOFTWOODS	35,414	-4.8%	4.9%	32,925	-9.5%	2.3%
TOTAL HARDWOODS	7,634	4.0%	40.0%	8,247	6.9%	49.8%
TOTAL LUMBER	43,048	-3.4%	9.8%	41,172	-6.6%	9.3%

DOMESTIC LUMBER CONSUMPTION

	CURRENT			YEAR-TO-DATE	
	Latest Month Available	----% Change From----		Latest Period Available	% Change From
	Oct. '86	Sep. '86	Oct. '85	10 mos.'86	10 mos.'85
	(Million Board Feet)				
Total Consumption	4,486	-7.1%	0.4%	45,387	6.8%
Softwood Consumption	3,818	-9.3%	-4.2%	40,246	7.3%
Hardwood Consumption	669	8.5%	38.1%	5,141	2.9%

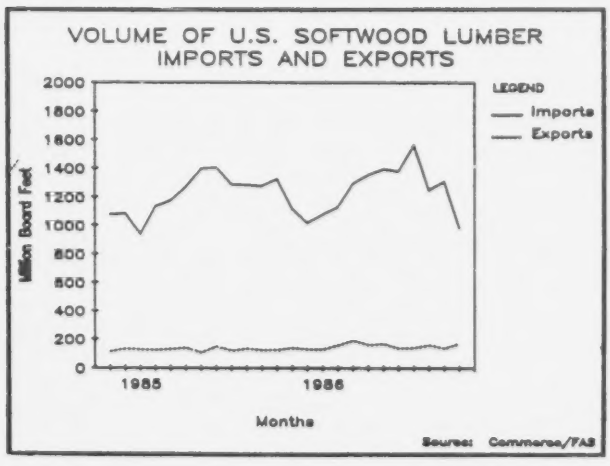


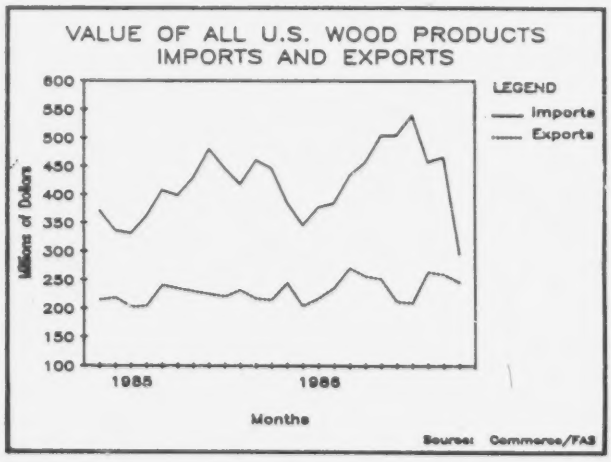


INTERNATIONAL TRADE STATISTICS

		VOLUME				VALUE			
		Oct. '86	10 mo. 1986	% Change From Sep. '86	% Change From 10 mo. 1985	Oct. '86	10 mo. 1986	% Change From Sep. '86	% Change From 10 mo. 1985
EXPORTS									
SOFTWOOD LUMBER	MMBF	168.7	1,525.2	26.7%	21.8%	58,969	513,876	26.9%	25.2%
To Canada	MMBF	27.8	308.4	-20.5%	19.8%	7,232	76,624	-18.2%	19.1%
SOFTWOOD LOGS	MMBF	250.6	2,783.9	-18.4%	-11.1%	80,933	902,661	-18.1%	-8.0%
SOFTWOOD PLYWOOD	MMSF 3/8"	27.7	436.6	-41.3%	85.4%	6,570	95,147	-37.2%	70.4%
HARDWOOD LUMBER	MMBF	44.9	414.7	-5.2%	24.3%	31,182	280,686	12.7%	35.0%
HARDWOOD LOGS	MMBF	9.5	87.9	163.3%	-6.6%	8,608	80,083	213.0%	8.1%
HARDWOOD VENEER	MMSFsurf	86.6	812.4	1.3%	26.4%	7,841	65,509	11.6%	27.8%
PARTICLEBOARD	MMSF 3/4"	18.3	136.6	43.4%	44.3%	3,512	27,353	30.8%	44.8%
ALL OTHER		NA	NA	NA	NA	46,901	440,312	-24.8%	9.6%
TOTAL U.S. EXPORTS		NA	NA	NA	NA	245,229	2,414,830	-5.3%	9.0%
IMPORTS									
SOFTWOOD LUMBER	MMBF	982.3	12,728.4	-25.0%	2.0%	218,156	2,685,310	-23.8%	8.4%
From Canada	MMBF	968.8	12,616.4	-25.5%	1.7%	215,692	2,659,531	-24.0%	8.0%
SOFTWOOD LOGS	MMBF	0.2	42.2	-95.4%	-29.2%	39	4,724	-94.0%	-67.6%
SOFTWOOD PLYWOOD	MMSF 3/8"	8.7	108.7	-13.1%	47.2%	2,337	28,406	-6.0%	60.6%
HARDWOOD LUMBER	MMBF	28.9	289.2	25.0%	-7.4%	14,160	139,815	11.7%	-10.7%
HARDWOOD LOGS	MMBF	1.9	23.0	-14.1%	-2.6%	206	3,651	-64.0%	23.6%
HARDWOOD VENEER	MMSFsurf	110.4	1,314.8	-19.0%	11.7%	8,725	92,755	-0.9%	8.5%
HARDWOOD PLYWOOD	MMSFsurf	235.3	3,124.2	-16.3%	2.8%	32,931	394,129	-8.7%	4.6%
HARDBOARD	MMSF 1/8"	45.1	720.0	-19.9%	11.8%	3,569	47,389	-21.0%	8.9%
PARTICLEBOARD	MSF 3/4"	85.5	971.6	-50.4%	15.0%	12,184	117,212	42.4%	0.2%
ALL OTHER		NA	NA	NA	NA	102,477	1,001,006	-2.7%	13.3%
TOTAL U.S. IMPORTS		NA	NA	NA	NA	394,931	4,517,212	-15.3%	8.1%

Note: Volume total is not possible because the products are in different units of measure.
Note: Particleboard imports include OSB/Waferboard.





VALUE OF NEW CONSTRUCTION

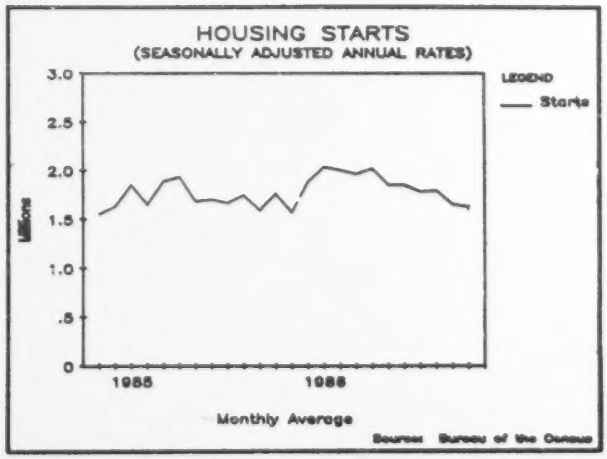
	CURRENT			YEAR-TO-DATE	
	Latest Month Available	% Change From		Latest Period Available	% Change From
	Oct. '86	Sep. '86	Oct. '85	10 mo. '86	10 mo. '85
	(Billions of Dollars)				
VALUE OF ALL NEW CONSTRUCTION PUT-IN-PLACE	35.8	-0.8%	12.0%	313.2	9.7%
Private	28.6	0.7%	10.7%	253.3	8.8%
Residential	16.5	-1.8%	18.6%	143.7	15.7%
Nonresidential & Other	12.1	4.3%	0.8%	109.6	0.9%
Public	7.2	-6.5%	17.8%	59.8	13.8%

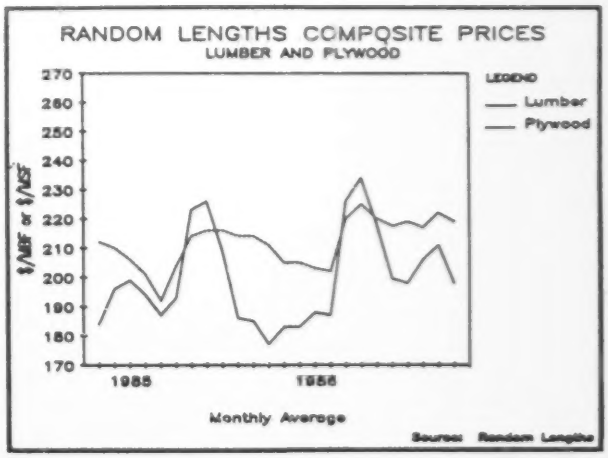
HOUSING STARTS

	Oct. '86	Sep. '86	Oct. '85	10 mo. '86	10 mo. '85
	(Thousands of Units)				
NEW HOUSING UNITS STARTED					
Total Private & Public	154.9	0.4%	-10.6%	1,577.6	5.2%
New Private Starts	154.8	0.5%	-10.5%	1,576.8	5.3%
Seas. Adj. Annual Rate	1628	-2.2%	-8.1%		
One-Family Housing Starts	101.4	-1.1%	-3.2%	1,030.3	10.4%
Proportion of Total	65.5%			65.3%	
	(Number of Units)				
SHIPMENTS OF MOBILE HOMES	23,100	7.4%	-16.6%	211,400	-14.0%

INDUSTRY EMPLOYMENT

	Oct. '86	% Change From	
		Sep. '86	Oct. '85
	(Thousands of Employees)		
TOTAL EMPLOYMENT (Seasonally Adj.)			
All Industries	100,820	0.3%	2.3%
All Manufacturing Industries	19,128	0.1%	-1.1%
Lumber and Wood Products	739	0.7%	4.4%
Furniture and Fixtures	500	0.0%	0.8%





Act, or RPA, which mandates that the Administration develop periodic assessments of demand and supply for the country's renewable resources. RPA has consistently pointed to higher wood products demand and a need for greater productivity from national forests. On another level is the National Forest Management Planning Act, or NFMA, which mandates forest-by-forest planning of multiple use resources. Finally, and of more short-term significance, there is the annual appropriations process which enables the Forest Service to administer a timber sales program, and build logging roads to support that program.

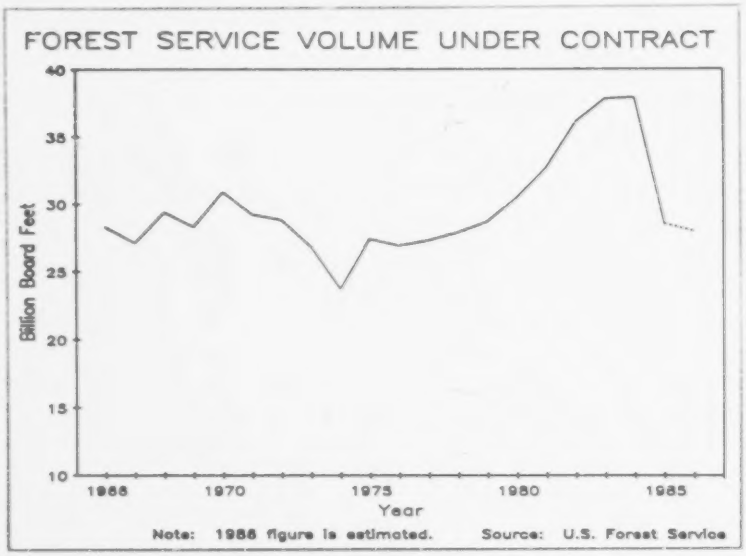


Figure 2: The volume of Forest Service timber under contract has declined.

RPA -- A Long-Term National Plan?

The Administration released the 1985 RPA Program in August. The program includes both a high bound and low bound timber supply alternative. Many in the industry have long been critical of the Forest Service for setting both a high bound and low bound alternative, and they have been critical of the specific targets that they include. And while industry has attacked the numbers as too low, the environmental community views them as too high.

NFMA -- See You in Court

The National Forest Management Act (NFMA) stemmed from a successful environmental challenge to clearcutting on the national forests. While the passage of NFMA gave the Forest Service the authority to practice even-aged silviculture, which includes clearcutting under certain circumstances, it also required each national forest to undertake a comprehensive land management planning process.

Specific NFMA regulations took over four years to implement. They require each forest to determine the optimal mix of management regimes under the broad direction to "maximize net public benefit." Heavy emphasis is placed on environmental protection and non-commodity resources, in what has evolved as a complicated and prolonged planning process.

Of the 123 forest plans which were to be completed by 1985, only 63 have been issued as final. They are now encumbered by as many as 323 separate administrative appeals. Another 43 plans are out in draft form. Only 12 forest plans have completely cleared the administrative appeal process. In 1987, a rash of Draft and Final Plans will be released, and consequently, additional appeals can be expected.

Budget levels are yet another problem across many forest Plans. Planning models are not constrained by current budget estimates. Hence, many forest plans are analyzing programs under unrealistic budget assumptions. Harvest levels could be affected if the assumed budget levels are not met. The Forest Service contends that the budgeting process will soon be based on the forest plans, and so the planning and budgetary process will at some point come together, but it is unclear when this might happen.

App:opriations -- The Real Driver For Management

Congress has the ultimate say in how much timber is sold from the national forests through the annual appropriations process. Recent trends in this process promise to make it more difficult to obtain annual funding for an adequate timber sale program.

The Forest Service budget is one of the discretionary spending categories under the scrutiny of Gramm -Rudman - Hollings fiscal policy. In an attempt to meet its deficit targets, the President's FY 87 Budget had proposed a timber sale program of only 10 BBF -- the lowest program in 25 years. Ultimately, Congress passed a budget which included a timber sales program of 11.2 BBF. Although industry analysts can demonstrate that the program returns a net profit to the Federal Treasury, the Administration and Congress are tempted to view the program merely in terms of outlays.

Environmental groups also play a political part in the budgetary process. They have sought reductions in funding for roads and timber sales as a way of increasing wilderness acreage, and they have argued that numerous timber sales cost more to administer than they return in revenues.

As a result of the political climate surrounding national forest management, Congress has been taking a keener interest in the specific details of the timber sale program. In the past, Congress appropriated funding for the total timber sale program and left the regional distribution and composition of that program up to the Forest Service. In the FY 86 appropriations, however, Congress, reflecting the more highly charged political process, specified how much timber should go to the different regions, and how much should be composed of the sales returned under the buy-out bill. Subsequently, the President's FY 87 Budget included a regional distribution and composition that was ultimately modified by Congress.

More Congressional Direction

The Congress also instructed the Forest Service to address the interaction between RPA, NFMA and appropriations by early next year. The agency must prepare an analysis by March 1, 1987 that explains the role of RPA targets in the development of national forest plans, why RPA targets have not been met in specific forest plans, and what actions the agency will take if the RPA goals and national forest planning outputs are not consistent. Additionally, Congress required the Forest Service to publish the 1990 RPA Program on time, and present a single strategy for the management of the national forests. Stay tuned for further developments....

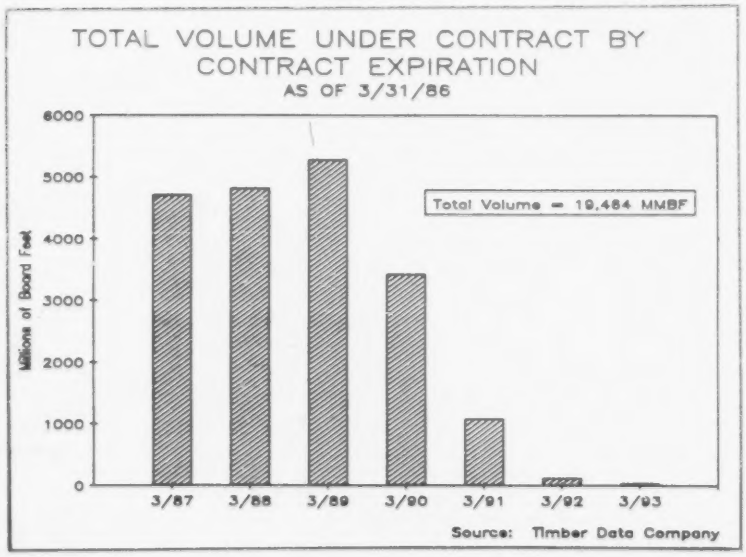


Figure 3: Except for timber remaining in older contracts, most of the volume comes due within three years.

CORRECTION

The values reported for trade with India in Table I of the November issue of the Economics Monthly should have read thousands of dollars, not millions of dollars.